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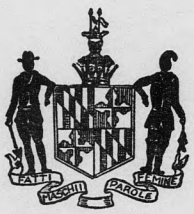
Sixteenth Annual Report

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND



1935

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SIXTEENTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1935

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MARYLAND RACING COMMISSION

BOARD

JERVIS SPENCER, JR., *Chairman*
EDWIN WARFIELD, JR.
GEORGE R. NORRIS

STAFF

JAMES F. HAYWARD.....*Secretary*
MRS. WILLIAM CHESNUT.....*Stenographer and Bookkeeper*
HOWARD L. CALLIS.....*Auditor*
THOMAS A. LADSON.....*Veterinarian*
DOUGLAS C. TURNBULL.....*General Inspector*
CHARLES S. EARLY.....*Inspector*
WILLIAM A. MENTZEL.....*Inspector*
WILLIAM L. HARRON.....*Inspector*

SIXTEENTH ANNUAL REPORT

OF THE

MARYLAND RACING COMMISSION

To His Excellency, Harry W. Nice,
Governor of Maryland.

The Maryland tracks have had a much better year than we anticipated and with the exception of Timonium, they have all returned some profit to the operators. The poor showing made by Timonium was due to the unprecedently bad weather during that meeting.

We feel that with conditions still so uncertain, it would be unwise, at this time, to require the tracks to increase their purses (especially their overnight purses). In our judgment, however, this will eventually be necessary if our Maryland tracks are to be successful in attracting the class of horses which formerly raced here when conditions generally were better, and they were not faced with the keen competition which they are now meeting from tracks in other sections of the country.

The commission deducted on money wagered at the tracks amounts to 7½% and the breakage is to the nickel. This commission includes the 1% that is payable to the State. This is, in our opinion, all that can safely be taken without substantial loss of revenue.

Soon after its establishment, the Commission required the Maryland one-mile tracks to give an award to the breeder of each Maryland-bred horse winning a race on their tracks. In addition to this advantage accorded the Maryland breeder, the tracks, at a somewhat later date, were required also to have one race for each two days of racing, exclusively for Maryland bred horses. This action was taken with the hope that it would stimulate Maryland breeding and serve as an encouragement for out of the State people to establish breeding farms in Maryland. In our judgment, this policy has been

quite successful in accomplishing its purpose. So far as we know this is the only State that aids its breeders in this manner.

When, due to heavy decreases in revenue, it became necessary for the tracks to curtail expenses, we relieved them, at their solicitation, of the requirement of giving this award in races exclusively for Maryland bred horses, but continued to require them to give it in all other races. At this time, therefore, the breeder of a Maryland foaled winning horse receives $250 in races in which the added money is less than $2,000 and $500 when the added money is $2,000 or more.

There is attached hereto an account of the receipts and disbursements of the Commission, and an account of the receipts and disbursements of the four licensees of the Commission operating one-mile tracks.

Respectfully submitted,

JERVIS SPENCER, JR., *Chairman*
EDWIN WARFIELD, JR.
GEORGE R. NORRIS.

STATEMENT OF MARYLAND RACING COMMISSION
(For Year 1935)

RECEIPTS

County Fairs, 44 days racing at $50.00 per day		$2,200.00
Harford Agricultural and Breeders' Association:		
25 days racing at $6,000 per day	$150,000.00	
1 per cent tax on money wagered	66,873.29	
15 per cent of net revenue	20,870.61	
		237,743.90
Maryland State Fair, Incorporated:		
25 days racing at $6,000 per day	$150,000.00	
1 per cent tax on money wagered	61,344.70	
15 per cent of net revenue	13,326.58	
		224,671.28
Maryland Jockey Club of Baltimore City:		
25 days racing at $6,000 per day	$150,000.00	
25 days racing at $3,000 per day, account of Baltimore County	75,000.00	
1 per cent tax on money wagered	78,926.83	
15 per cent of net revenue	13,377.17	
		317,304.00
Southern Maryland Agricultural Association:		
25 days racing at $6,000 per day	$150,000.00	
1 per cent tax on money wagered	64,864.95	
15 per cent of net revenue	14,791.96	
		229,656.91
License Fees—Trainers and Jockeys		1,650.00
Registration Fees:		
Agents	$74.00	
Colors	279.00	
		353.00
Total receipts		$1,013,579.09

STATEMENT OF MARYLAND RACING COMMISSION
(For Year 1935)

EXPENSES

Commission's salary	$8,560.00	
Office salaries	4,984.00	
Salaries and expenses of Commission's employees for county fairs	325.00	
Premiums on Chairman's, Commissioners' and Secretary's bonds	1,550.00	
Automobile and train hire	1,217.50	
Travel and miscellaneous expense for Commission and employees	956.66	
Office expense—miscellaneous	91.50	
Office supplies—stationery and printing	315.85	
Office furniture and furnishings	16.80	
Office rent	1,508.64	
Telephone and telegraph	217.54	
Subscriptions and dues	305.26	
Expenses in connection with saliva and other tests	1,290.30	
Paid to county treasurers	2,150.00	
Refund—Cambridge Fair Association—1 day's license fee—rain	50.00	
Paid to Treasurer of Baltimore County:		
25 days racing license fees at $3,000 per day	75,000.00	
Net balance to Treasurer of State of Maryland	915,040.04	
Total expenses		$1,013,579.09

HARFORD AGRICULTURAL AND BREEDERS' ASSOCIATION, INCORPORATED

Statement of Income and Surplus for the Year Ended October 31, 1935

REVENUE

Admissions:		
General	$188,414.85	
Club House	10,496.00	
Boxes	2,069.00	
Pari-mutuel commissions and breakage	558,722.55	
Programs—net	9,787.19	
Concessions	12,900.00	
Interest on obligations of the United States of America	6,638.36	
Leads to post	10.00	
Total		$789,037.95

*EXPENSES

State license—25 days at $6,000 each	$150,000.00	
State tax on pari-mutuel sales	66,873.29	
Stakes and purses	197,600.00	
Awards to breeders	3,750.00	
Pari-mutuel expenses:		
Salaries and wages	72,720.80	
Stationery and printing	14,700.31	
Transportation of money	1,730.00	
Cash shortage—net	481.01	
Miscellaneous	1,075.00	
Salaries and wages of racing officials and employees	27,903.20	
Wages of temporary track employees	12,434.75	
Services of detective agency	11,231.92	
Ambulance and hospital service	891.75	
Rental of starting stalls	1,250.00	
Music and announcing	1,437.40	
Advertising and publicity service	13,170.58	
Officers' salaries and directors' compensation:		
M. H. Fahey:		
Salary as president	$2,400.00	
Compensation as director	800.00	
	$3,200.00	
Edward Burke:		
Salary as vice-president and treasurer	$15,000.00	
Compensation as director	800.00	
	15,800.00	
Carried forward	$19,000.00	$577,250.01

Revenue—(forward)			$789,037.95
Expenses—(forward)	$19,000.00	$577,250.01	
Richard Reid Rogers:			
Salary as secretary	$1,600.00		
Compensation as director	800.00		
	2,400.00		
E. F. Simms, director	800.00		
Total		22,200.00	
Salaries of regular track employees		9,900.00	
Salaries of clerks—New York City		600.00	
Repairs and maintenance		9,016.24	
Tools and supplies		1,536.59	
Team hire		1,014.50	
Heat, light, and water		1,457.00	
Taxes—real estate, franchise, personal property, Federal capital stock, etc.		7,842.21	
Insurance premiums		12,228.10	
Rent		250.00	
Stationery, printing, and postage		4,242.71	
Telephone and telegraph		1,930.53	
Professional services		1,708.20	
Donations:			
Charity Relief Committee, Havre de Grace, Maryland	$100.00		
Benevolent and Patriotic Order of Elks	250.00		
Chamber of Commerce, Havre de Grace, Maryland	100.00		
Susquehanna Hose Company, Inc.	100.00		
Havre de Grace Hospital	500.00		
Total		1,050.00	
Doubtful accounts receivable written off or provision therefor		114.00	
Loss on redemption of investments		1,380.63	
Miscellaneous		2,893.96	
Total			$656,614.68
***Net Income for the Year**			**$132,423.27**

Net Income for the Year—brought forward		$132,423.27
SURPLUS CREDIT:		
Pari-mutuel tickets outstanding applicable to meetings of the fiscal year 1932, credited to surplus		5,037.60
***Gross Surplus for the Year**		**$137,460.87**
SURPLUS CHARGES (exclusive of dividends):		
Federal tax on income for the preceding calendar year	$438.94	
Additional Federal tax on income for the calendar year 1932, and interest thereon	15.01	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended October 31	6,973.28	
Provision for depreciation for the preceding calendar year, as determined by the Association	22,243.90	
Total		$29,671.13
Surplus for the Year, Before Dividends		**$107,789.74**
Dividends Paid		**80,000.00**
Surplus for the Year		**$27,789.74**

NOTATIONS:

*Exclusive of or before provision for depreciation, Federal income tax, and State license fee or tax of 15% of net taxable revenue.

No provision is included in the foregoing statement for depreciation of property and Federal tax on income for the ten months ended October 31, 1935, for license fee or tax of 15% of net taxable revenue for the year ended October 31, 1935, amounting to $20,870.61, or for Federal capital stock tax accrued for the period from July 1 to October 31, 1935.

Statement Showing Computation of Net Revenue for the Year Ended October 31, 1935, Taxable by the Maryland Racing Commission

Surplus for the Year		**$27,789.74**
Amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income:		
Year ended December 31, 1934	$438.94	
Additional tax for year ended December 31, 1932, and interest thereon	15.01	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended October 31, 1934	6,973.28	
Provision for depreciation for the year ended December 31, 1934, as determined by the Association	22,243.90	
Dividends paid	80,000.00	
Donations	1,050.00	
Excess of officers' salaries and directors' compensation paid over amount allowable by the Commission	626.50	
Total		$111,347.63
Net Revenue for the Year Ended October 31, 1935, Taxable by the Commission		**$139,137.37**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended October 31, 1935		**$20,870.61**

NOTATION:

The net additions to property amounting to $249.00 during the year ended October 31, 1935, and charged to the building fund has not been deducted as an item of expense in the determination of net revenue upon which the State license fee or tax of 15% is computed.

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of the Harford Agricultural and Breeders' Association, Incorporated, for the year ended October 31, 1935, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 2, 1935.

THE MARYLAND STATE FAIR, INCORPORATED

Statement of Income and Surplus for the Year Ended November 1, 1935

REVENUE

Admissions:		
General	$136,102.50	
Club House	11,795.00	
Paddock	1,593.50	
Boxes	2,525.00	
Membership dues	1,800.00	
Pari-mutuel commissions and breakage	514,637.95	
Programs—net	10,128.22	
Concessions	15,350.00	
Leads to post	30.00	
Rent	180.00	
Sale of manure	1,050.00	
Total		$695,192.17

*EXPENSES

State license—25 days at $6,000 each	$150,000.00	
State tax on pari-mutuel sales	61,344.70	
Stakes and purses	207,200.00	
Awards to breeders	3,000.00	
Pari-mutuel expenses:		
Salaries and wages	54,398.00	
Stationery and printing	11,839.48	
Insurance on money	1,377.99	
Cash shortage—net	616.87	
Miscellaneous	799.19	
Salaries and wages of racing officials and employees	32,044.25	
Services of detective agencies	4,380.00	
Ambulance service	175.00	
Rent of starting stalls	1,250.00	
Wages of track employees	13,305.65	
Advertising and publicity service	7,700.70	
Officers' salaries:		
A. J. Cummings, president $8,000.00		
F. J. Brady, secretary-treasurer 8,000.00		
Total	16,000.00	
Office salaries	2,303.00	
Repairs and maintenance of property	5,105.20	
Automobile and tractor expense	695.01	
Water, heat, and light	974.33	
Taxes—real estate, franchise, personal property, Federal capital stock, etc.	16,957.93	
Insurance premiums—net	8,200.47	
Office rent—New York City	3,000.00	
Stationery, printing, and postage	2,843.85	
Telephone and telegraph—net	501.55	
Professional accounting services	847.03	
Forward	$606,860.20	

Revenue—(forward)		$695,192.17
Expenses—(forward)	$606,860.20	
Donations:		
Reverend Joseph A. Meyer	$2,000.00	
The Howard County Public Health Association	250.00	
Total	2,250.00	
Provision for doubtful accounts receivable from horsemen	199.00	
Expenses of State police	107.21	
Interest on loans	23.61	
Miscellaneous	2,630.39	
Total		612,070.41
***Net Income for the Year**		**$83,121.76**
SURPLUS CREDITS:		
Pari-mutuel tickets outstanding applicable to the meeting of the year 1932, credited to surplus	$3,198.50	
Excess provision for awards to breeders over requirements applicable to preceding year	250.00	
Total		$3,448.50
***Gross Surplus for the Year**		**$86,570.26**
SURPLUS CHARGES (exclusive of dividends):		
License fee or tax of 15% of net taxable revenue for the preceding year ended November 1	$3,964.33	
Additional Federal tax on income for the calendar year 1933, and interest thereon	935.17	
Provision for depreciation for the preceding calendar year as determined by the company	23,653.78	
Total		$28,553.28
Surplus for the Year, Before Dividends		**$58,016.98**
Dividends Paid April 22, 1935		**25,000.00**
Surplus for the Year		**$33,016.98**

NOTATIONS:

*Exclusive of or before provision for depreciation, Federal income tax, and State license fee or tax of 15% of net taxable revenue.

No provision is included in the foregoing statement for depreciation of property and Federal tax on income for the period from January 1 to November 1, 1935, for license fee or tax of 15% of net taxable revenue for the year ended November 1, 1935, amounting to $13,326.58 or for Federal capital stock tax accrued for the period from July 1 to November 1, 1935.

The foregoing statement is subject to adjustment for additional assessments of Federal tax on income for the years 1932, 1933, and 1934, amounting to approximately $6,200.00 and interest thereon, and for reduction of provision for depreciation for the years 1932, 1933, and 1934, amounting to approximately $61,000.00 based on findings of the Bureau of Internal Revenue. This adjustment has not been made inasmuch as the company proposes to contest the findings of the Bureau.

The provision for depreciation for the calendar year 1934 is approximately $9,000.00 less than it would have been based on rates used in determining the provision for the year 1933.

Statement Showing Computation of Net Revenue for the Year Ended November 1, 1935, Taxable by the Maryland Racing Commission

Surplus for the Year		**$33,016.98**
Amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:		
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended November 1, 1934	$3,964.33	
Additional Federal tax on income for the calendar year 1933, and interest thereon	935.17	
Provision for depreciation for the year ended December 31, 1934, as determined by the company	23,653.78	
Dividend paid. April 22, 1935	25,000.00	
Interest on loans	23.61	
Donations	2,250.00	
Total		55,826.89
Net Revenue for the Year Ended November 1, 1935, Taxable by the Maryland Racing Commission		**$88,843.87**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended November 1, 1935		**$13,326.58**

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have examined the accounts of The Maryland State Fair, Incorporated, for the year ended November 1, 1935, and, subject to the fact that the corporate minutes were not made available for our inspection, in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 19, 1935.

THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY

Statement of Income and Surplus for the Year Ended November 30, 1935

REVENUE

Admissions:		
General	$200,199.03	
Club House	19,521.50	
Paddock	2,120.50	
Boxes	7,960.00	
Membership dues and initiation fees	18,710.00	
Pari-mutuel commissions and breakage	656,771.95	
Programs—net	14,171.65	
Concessions	6,825.00	
Profit from operation of catering service, etc.—net	12,461.37	
Rent:		
Real estate	5,524.82	
Equipment	2,700.00	
Miscellaneous	1,602.29	
Total		$948,568.11

*EXPENSES

State license—25 days at $6,000 each	$150,000.00	
Baltimore County license—25 days at $3,000 each	75,000.00	
State tax on pari-mutuel sales	78,926.83	
Stakes and purses	254,550.00	
Awards to breeders	3,250.00	
Pari-mutuel expenses:		
Salaries and wages	66,410.00	
Stationery and printing	6,702.91	
Transportation of money	1,030.00	
Cash shortage—net	185.01	
Odds and results board operating expense	7,500.00	
Rent of totalisator	30,000.00	
Salaries and wages of racing officials and employees	39,095.35	
Services of detective agencies	3,473.50	
Ambulance service	375.00	
Rental of starting stalls	1,250.00	
Music	280.00	
Advertising and publicity service	2,539.87	
Officers' salaries, directors' compensation, and legal retainer fees:		
C. E. McLane:		
Salary as president $2,500.00		
Compensation as director 30.00		
	$2,530.00	
Forward	$2,530.00	$720,568.47

Revenue—(forward)			$948,568.11
Expenses—(forward)		$2,530.00	$720,568.47
R. J. Walden:			
Salary as vice-president	$2,500.00		
Compensation as director	30.00		
		2,530.00	
M. L. Daiger:			
Salary as secretary	$8,333.38		
Compensation as director	30.00		
		8,363.38	
F. G. Riggs:			
Salary as treasurer	$3,916.69		
Compensation as director	30.00		
		3,946.69	
Compensation as director:			
F. J. Bryan		30.00	
D. S. Gittings		30.00	
Cary T. Grayson		20.00	
S. S. Janney		10.00	
Lawrason Riggs		30.00	
A. H. Morris		20.00	
Ral Parr		20.00	
Ritchie, Janney, Ober and Williams —legal retainer fees		2,000.00	
Total			19,530.07
Other legal fees			2,100.00
Office salaries			2,085.94
Rent of track property, including amortization of cost of renewing lease			28,100.00
Provision for amortization of improvements to leased property, as determined by the company			43,946.85
Wages of regular track employees			13,105.10
Repairs and maintenance of property			18,115.13
Tools and supplies			1,305.43
Auto hire			991.00
Water, heat, and light			3,374.59
Taxes—real estate, personal property, franchise, Federal capital stock, etc.			23,530.68
Insurance premiums			23,459.05
Stationery and printing			4,225.81
Telephone and telegraph			309.15
Professional accounting and tax services			1,401.37
Interest on loans			125.02
Donation—The Community Fund of Baltimore			1,000.00
Miscellaneous			3,292.10
Total			$910,565.76
***Net Income for the Year**			**$38,002.35**

Net income for the year—brought forward		$38,002.35
SURPLUS CREDITS:		
Pari-mutuel tickets outstanding applicable to the meetings of the year 1932, credited to surplus.	$5,546.35	
Outstanding checks restored to cash balance	560.55	
Total		$6,106.90
***Gross Surplus for the Year**		**$44,109.25**
SURPLUS CHARGES (exclusive of dividends):		
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended November 30		$8,705.90
Surplus for the Year, Before Dividend		**$35,403.35**
Dividend Paid June 4, 1935		**13,620.00**
Surplus for the Year		**$21,783.35**

NOTATIONS:

*Exclusive of or before provision for Federal income tax and State license fee or tax of 15% of net taxable revenue.

The above statement does not include:

Provision for depreciation of buildings and miscellaneous property.

Provision for Federal tax on income for the year ended November 30, 1935.

License fee or tax of 15% of net taxable revenue for the year ended November 30, 1935, amounting to $13,377.17.

Provision for Federal capital stock tax accrued for the period from July 1 to November 30, 1935.

Portion of loss applicable to the investment in capital stock of Maryland State Fair and Agricultural Society of Baltimore County, Md., an affiiliated company. Based on a statement submitted by the affiliated company (but not verified by Messrs. Haskins and Sells) the company's portion of such loss amounts to approximately $2,400.00 and $900.00 for the years ended November 30, 1935 and 1934, respectively.

Statement Showing Computation of Net Revenue for the Year Ended November 30, 1935, Taxable by the Maryland Racing Commission

Surplus for the Year		**$21,783.35**
Amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Provision for amortization of improvements to leased property for the year ended November 30, 1935 as determined by the company	$43,946.85	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended November 30	8,705.90	
Dividend paid June 4, 1935	13,620.00	
Interest on loans	125.02	
Donation—The Community Fund of Baltimore	1,000.00	
Total		$67,397.77
Net Revenue for the Year Ended November 30, 1935, Taxable by the Maryland Racing Commission		**$89,181.12**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended November 30, 1935		**$13,377.17**

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of The Maryland Jockey Club of Baltimore City for the year ended November 30, 1935, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 23, 1935.

THE SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION OF PRINCE GEORGE'S COUNTY, MARYLAND

Statement of Income and Surplus for the Year Ended December 6, 1935

REVENUE

Admissions:		
General	$113,736.00	
Club House	10,918.50	
Paddock	1,273.00	
Boxes	3,302.00	
Service charges in connection with complimentary badges	3,153.90	
Pari-mutuel commissions and breakage (after deduction of $1,350.00 for error in computing commission on a daily double pool during the Fall meeting of 1935, which amount represents an overpayment to the public)	537,363.15	
Programs—net	10 354.31	
Concessions	14,276.10	
Interest on bank balances	84.33	
Leads to post	10.00	
Miscellaneous	400.00	
Total		$694,871.29

*EXPENSES

State license—$6,000 per day		$150,000.00	
State tax on pari-mutuel sales		64,864.95	
Stakes and purses		166,700.00	
Awards to breeders		2,500.00	
Pari-mutuel expenses:			
Salaries and wages		64,678.00	
Stationery and printing		13,786.14	
Insurance on money		810.71	
Cash shortage—net		296.80	
Miscellaneous		658.51	
Salaries and wages of racing officials and employees		46,543.70	
Detective services		2,890.84	
Ambulance service		250.00	
Royalty for use of starting stalls		750.00	
Music and announcing		880.00	
Advertising and publicity service		4,981.80	
Officers' salaries, directors' compensation, and legal retainer fee:			
M. H. Magruder, president:			
Salary and counsel fee	$5,000.00		
Compensation as director	150.00	5,150.00	
Wm. G. Brooke, secretary:			
Salary	$1,500.00		
Compensation as director	150.00	1,650.00	
Forward		$6,800.00	$520,591.45

Revenue—(forward)			$694,871.29
Expenses—(forward)	$6,800.00	$520,591.45	
Thomas K. Lynch, treasurer and assistant manager—salary	3,791.62		
Joseph B. Boyle, general manager—salary	6 499.92		
C. Carter Hall:			
Compensation as director $150.00			
Other compensation 1,250.00			
	1,400.00		
Compensation as director:			
James A. Bean	150.00		
James B. Berry	150.00		
W. Booth Bowie	150.00		
Samuel G. Coale	150.00		
Frank M. Hall	150.00		
Guy W. Latimer	150.00		
Thomas N. Magruder	150.00		
Oliver S. Metzerott	150.00		
Ellis O. Middleton	150.00		
R. Lee Mulliken	150.00		
Harry Nalley	150.00		
Claude H. Owen	150.00		
George N. Palmer	150.00		
William S. Ryon	150.00		
Frank Small, Jr.	150.00		
Total		20,741.54	
Office salaries		1,120.00	
Wages paid to regular track employees		9,455.00	
Repairs and maintenance		2,746.26	
Light, heat, etc.		984.38	
Taxes—real estate, personal property, franchise, Federal capital stock, etc.		9,099.30	
Insurance premiums		8,241.72	
Rent of offices		1,572.00	
Stationery and printing		3,572.15	
Telephone and telegraph		620.59	
Professional accounting services		1,889.65	
Interest on loans		25.00	
Donations:			
Bowie Volunteer Fire Department $100.00			
Glendale Volunteer Fire Department 100.00			
Sundry small donations 7.60			
Total		207.60	
Cost of repairs to railroad tracks, bridges, etc., under agreement		6,000.00	
Miscellaneous		2,899.60	
Total			$589,766.24
***Net Income for the Year**			**$105,105.05**

Net Income for the Year—brought forward		$105,105.05
SURPLUS CREDITS:		
Pari-mutuel tickets outstanding applicable to meetings of the year 1932, credited to surplus.	$4,065.10	
Excess of provision for awards to breeders over requirements, applicable to prior years	500.00	
Refund of Federal tax on income for calendar years 1931 and 1932 (including interest of $162.10)	1,058.25	
Total		$5,623.35
***Gross Surplus for the Year**		**$110,728.40**
SURPLUS CHARGES (exclusive of dividend):		
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended December 6	$9,389.32	
Provision for depreciation for the preceding calendar year (as determined by the Association)	18,392.17	
Federal tax on income for the preceding calendar year	6,037.49	
Uncollectable accounts receivable written off	425.00	
Settlement of damage suit, including court costs.	8,051.20	
Payment of outstanding pari-mutuel tickets of the year 1931, previously credited to surplus	3.80	
Account with subscribers to capital stock written off pursuant to authority of the Board of Directors	58,000.00	
Total		$100,298.98
Surplus for the Year, Before Dividend		**$10,429.42**
Dividend Paid May 31, 1935		**30,000.00**
Deficit for the Year		**$19,570.58**

NOTATIONS:

*Exclusive of or before provision for depreciation, Federal income tax, and State license fee or tax of 15% of net taxable revenue.

No provision is included in the aforegoing statement for depreciation of property and Federal tax on income for the period from January 1 to December 6, 1935, for license fee or tax of 15% of net taxable revenue for the year ended December 6, 1935, amounting to $14,791.96 or for Federal capital stock tax accrued for the period from July 1 to December 6, 1935.

Statement Showing Computation of Net Revenue for the Year Ended December 6, 1935, Taxable by the Maryland Racing Commission

Deficit for the Year		**$19,570.58**
Add:		
Cost of new construction and equipment during the year (this amount is allowed by the Commission as a deduction in computing net taxable revenue inasmuch as there is no surplus in current building fund)	$2,809.71	
Amount which was included in determining deficit for the year, but which is not taxable by the Commission—refund of Federal tax on income for the calendar years 1931 and 1932 (including interest of $162.10)	1,058.25	
		3,867.96
Total		$23,438.54
Amounts which were deducted in determining deficit for the year, but which are not allowed by the Commission in computing net taxable revenue:		
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended December 6, 1934	$9,389.32	
Provision for depreciation for the year ended December 31, 1934, as determined by the Association	18,392.17	
Dividends paid	30,000.00	
Federal tax on income for the calendar year 1934	6,037.49	
Interest on loans	25.00	
Account with subscribers to capital stock written off pursuant to authority of the Board of Directors	58,000.00	
Donations	207.60	
		122,051.58
Net Revenue for the Year Ended December 6, 1935, Taxable by the Maryland Racing Commission		**$98,613.04**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended December 6, 1935		**$14,791.96**

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of The Southern Maryland Agricultural Association of Prince George's County, Maryland, for the year ended December 6, 1935, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 26, 1935.